Congress of the United States

House of Representatives

Washington, **BC** 20515–4005

October 27, 2017

Chairman Kevin Brady House Committee on Ways and Means 1102 Longworth House Office Building Washington, DC 20515

Ranking Member Richard Neal House Committee on Ways and Means 1106 Longworth House Office Building Washington, DC 20515

Dear Chairman Brady and Ranking Member Neal:

Since it was first established in 1976, Congress has reauthorized the U.S. Generalized System of Preferences (GSP) repeatedly with bipartisan, bicameral support. The current authorization, passed by Congress in June 2015, expires on December 31, 2017. As Congress considers its legislative priorities for the remainder of 2017, we urge the Committee to advance a long-term GSP extension as quickly as possible.

GSP eliminates U.S. import tariffs on non-sensitive products imported from more than 120 developing countries. These taxes otherwise would be paid by American manufacturers, farmers, and consumers. In 2016, GSP eliminated about \$730 million in tariffs. Nearly two-thirds of GSP imports were raw materials, components, and machinery, where lower tariffs helped American manufacturers and workers compete in a tough global economy. By lowering costs for consumer goods and food products, many of which are not available in the United States, GSP increases product choices and helps American workers and families.

GSP also plays an important role in U.S. foreign and commercial policy. Incentives to source from GSP countries help promote development in some of the poorest countries in the world. GSP's long list of eligibility criteria gives the United States a tool to encourage beneficiary countries to improve labor practices, protect intellectual property rights, treat U.S. investors fairly, and open their markets to U.S. goods and services.

Failure to reauthorize GSP before it expires could cause U.S. companies to lay off workers, reduce wages and benefits, and reduce investment. The looming expiration is causing new uncertainty for U.S. companies that rely upon the GSP program, many of which already are placing orders for delivery in 2018.

In conclusion, the GSP program has a strong track record of promoting economic development and jobs both in the United States and abroad, but uncertainty about renewal hinders those benefits. We believe Congress should pass a long-term reauthorization of the GSP program as quickly as possible so American companies can have the certainty needed to invest in their businesses, workers, and communities.

Sincerely,

Ralph Norman Member of Congress

Steve Chalon Steve Chabot Member of Congress

Barbara Comstock Member of Congress

Luis Correa Member of Congress

A. Drew Ferguson IV Member of Congress

Josh Gottheimer Member of Congress

Joseph P. Kennedy III Member of Congress

Larry Bucshon, M.D. Member of Congress Jim Himes Member of Congress

Suzarne Bonamici Member of Congress

Julia Brownley Member of Congress

Joe Courtney Member of Congress

Brian Fitzpatrick

Brian Fitzpatrick

Member of Congress

Uen C. Hand

Karen C. Handel Member of Congress

Leonard Lance Member of Congress

Ted Lieu Member of Congress Carolyn B Maloney
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Seth Moulton Member of Congress

Donald M. Payre, Ji Member of Congress

Todd Rokita Member of Congress

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Carol Shea-Porter Member of Congress

Steve Stivers Member of Congress

Eric Swalwell Member of Congress James P. McGovern Member of Congress

Frank Pallone, Jr. Member of Congress

David Price Member of Congress

Keith Rothfus
Member of Congress

F. James Sensenbrenner, Jr. Member of Congress

Jackie Speier Member of Congress

Thomas R. Suozzi Member of Congress

Dina Titus

Member of Congress

Tim Walberg
Member of Congress

Joe Wilson

Member of Congress

Mark Sanford

Member of Congress

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Tim Walz

Member of Congress

Steve Womack

Member of Congress

Rob Woodall

Member of Congress